

HOUSE BILL NO. 344

INTRODUCED BY GALLIK

A BILL FOR AN ACT ENTITLED: "AN ACT ~~REMOVING~~ REVISING THE AUTHORITY TO PROVIDE FOR THE EXCLUSION FROM INSURANCE COVERAGE OF A NAMED FAMILY MEMBER IN A MOTOR VEHICLE LIABILITY INSURANCE POLICY; AMENDING SECTION 61-6-301, MCA; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 61-6-301, MCA, is amended to read:

"61-6-301. Required motor vehicle insurance — ~~family member exclusion~~ -- FAMILY MEMBER EXCEPTION. (1) ~~(a) Except as provided in subsection (1)(b), an~~ (A) EXCEPT AS PROVIDED IN SUBSECTION (1)(B), ~~AN~~ owner of a motor vehicle that is registered and operated in Montana by the owner or with the owner's permission shall continuously provide insurance against loss resulting from liability imposed by law for bodily injury or death or damage to property suffered by any person caused by maintenance or use of a motor vehicle, as defined in 61-1-102, in an amount not less than that required by 61-6-103, or a certificate of self-insurance issued in accordance with 61-6-143.

~~(b) Notwithstanding the mandatory motor vehicle liability insurance protection provided for in subsection (1)(a), nothing in this part may be construed to prohibit the exclusion from insurance coverage of a named family member in a motor vehicle liability insurance policy.~~

(B) NOTWITHSTANDING THE MANDATORY MOTOR VEHICLE LIABILITY PROTECTION PROVIDED FOR IN SUBSECTION (1)(A), NOTHING IN THIS PART MAY BE CONSTRUED TO PROHIBIT AN INSURER FROM IDENTIFYING A SPECIFIC FAMILY MEMBER AS AN "EXCLUDED FAMILY MEMBER" ON THE DECLARATIONS PAGE OF A MOTOR VEHICLE LIABILITY INSURANCE POLICY IN ORDER TO EXCLUDE THAT SPECIFIED FAMILY MEMBER FROM INDEMNITY OR DEFENSE UNDER THE BODILY INJURY COVERAGE OF THE POLICY.

(2) A motor vehicle owner who prefers to post an indemnity bond with the department in lieu of obtaining a policy of liability insurance may do so. The bond must guarantee that any loss resulting from liability imposed by law for bodily injury, death, or damage to property suffered by any person caused by accident and arising out of the operation, maintenance, and use of the motor vehicle sought to be registered must be paid within 30 days

1 after final judgment is entered establishing the liability. The indemnity bond must guarantee payment in the
2 amount provided for insurance under subsection (1).

3 (3) Any bond given in connection with this section is a continuing instrument and must cover the period
4 for which the motor vehicle is to be registered and operated. The bond must be on a form approved by the
5 commissioner of insurance and must be with a surety company authorized to do business in the state.

6 (4) It is unlawful for a person to operate a motor vehicle upon ways of this state open to the public
7 without a valid policy of liability insurance in effect in an amount not less than that required by 61-6-103 unless
8 the person has been issued a certificate of self-insurance under 61-6-143, has posted an indemnity bond with
9 the department as provided in this section, or is operating a vehicle exempt under 61-6-303."

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11 NEW SECTION. **Section 2. Applicability.** [This act] applies to motor vehicle liability insurance policies
12 issued or renewed on or after [the effective date of this act].

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